

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1379-01
Bill No.: HB 447
Subject: Economic Development; Business and Commerce
Type: Original
Date: February 6, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$4,200)	(\$5,000)	(\$5,000)
Total Estimated Net Effect on <u>All</u> State Funds	(\$4,200)	(\$5,000)	(\$5,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue (DOR)** assume the proposal would not have a fiscal impact on their agency. However, DOR does believe that this proposal would duplicate efforts of an existing advisory board under the Office of Administration - Office of Information Technology entitled the "Information Technology Advisory Board". DOR states that this board has formed several committees and subcommittees, one of which is an "E-Government" Committee. The committee includes representatives from the following agencies: Department of Social Services, Office of Information Technology, Office of Administration, Department of Revenue, State Treasurers' Office, State Courts Administrator's Office, Department of Elementary and Secondary Education and the Secretary of State.

Officials from the **Department of Labor and Industrial Relations, Office of Administration - Office of Information Technology** assume this proposal would not fiscally impact their respective agencies.

Officials from the **Department of Economic Development (DED)** assume that the 11 member committee will meet four times in the first year to organize and begin business, and then meet at least quarterly thereafter. In accordance with the proposal the members of the committee will receive reimbursement for expenses only. DED estimates the expense reimbursement as follows;

Mileage: It is estimated that 10 members of the 11 member committee will drive an average of 240 miles round trip to attend committee meetings. $240 \text{ miles round trip} \times 4 \text{ meetings per fiscal year} \times \$295 \text{ mileage reimbursement rate} \times 10 = \$2,832.00$ ($10 \times 240 \times 4 \times .295$) total mileage reimbursement.

Lodging: \$75 hotel cost per night @ 2 nights stay (2 nights per meeting) for 10 members = \$6,000 ($75 \times 2 \times 4 \times 10$).

Meals: \$35 daily meal allowance $\times 4 \text{ meeting per year} \times 2 \text{ days per meeting} \times 10 \text{ attendees} = \$2,800$. Also, \$22 dinner meal for evening prior to meeting $\times 4 \text{ meeting per year} \times 10 \text{ members} = \880 total dinner meal for evening prior to meeting. Therefore, total meal allowance is \$3,680 ($(35 \times 4 \times 2 \times 10) + (22 \times 10 \times 4)$).

DED assumes the total reimbursable expenses incurred by the committee members will total roughly \$13,000 per year.

ASSUMPTION (continued)

Oversight assumes many of the meetings will occur in Jefferson City and therefore, mileage,

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lodging, and meal allowances will not be as high as the DED has estimated. Oversight estimates members of the committee will be reimbursed for actual and necessary expenses incurred and would total roughly \$5,000 per fiscal year.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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GENERAL REVENUE

<u>Costs</u> - Reimbursable expenses for performance of committee	(\$4,200)	(\$5,000)	(\$5,000)
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<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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	\$0	\$0	\$0
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal establishes the Advisory Committee for Electronic Commerce within the Department of Economic Development for the purpose of advising state agencies on issues related to electronic commerce.

The 11 members of the committee will be: (1) the directors of the departments of Economic Development, Revenue, and Labor and Industrial Relations; (2) 7 members of the business community with one representative each from Associated Industries of Missouri, the Missouri Chapter of the National Federation of Independent Business, and the Missouri Chamber of Commerce all of which will be appointed by the Director of the Department of Economic Development; and (3) one member from the public at large appointed by the Director of Economic Development.

The Director of the Department of Economic Development will serve as chair of the committee and will provide staff for the committee.

DESCRIPTION (continued)

This legislation is not federally mandated, and would not require additional capital improvements

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or rental space. It may, however, duplicate an existing program (please see Assumptions for explanation).

SOURCES OF INFORMATION

Department of Revenue
Office of Administration
Office of Information Technology
Department of Labor and Industrial Relations
Department of Economic Development

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "Jarrett".

Jeanne Jarrett, CPA
Director
February 6, 2001